

## E2. GENERAL REGULATIONS

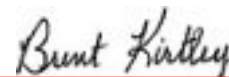
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**KENTUCKY**  
**PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN**  
**EXECUTIVE DIRECTOR**

TARIFF BRANCH



EFFECTIVE

**1/19/2012**

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

## E2. GENERAL REGULATIONS

### E2.3 Obligations Of The Customer (Cont'd)

#### E2.3.15 Determination Of Intrastate Charges For Mixed Interstate And Intrastate Access Service<sup>1</sup>

- A. When mixed interstate and intrastate Access Service is provided, all charges (i.e., nonrecurring, monthly and/or usage) including optional feature and Basic Service Element (BSE) charges, will be prorated between interstate and intrastate. The percentage provided in the reports as set forth in E2.3.14.A. preceding will serve as the basis for prorating the charges. The percentage of an Access Service to be charged as intrastate is applied in the following manner:
1. For monthly and nonrecurring chargeable rate elements, multiply the percent intrastate use times the quantity of chargeable elements times the stated tariff rate per element.
  2. For usage sensitive (i.e., access minutes and calls) chargeable rate elements, multiply the percent intrastate use times the actual use (i.e., measured or Company assumed average use) times the stated tariff rate.

The intrastate percentage will change as revised usage reports are submitted or as lines or trunks are added or removed as set forth in E2.3.14 preceding.

#### E2.3.16 Sectionalization - Trouble Reporting

The customer will be responsible for reporting troubles, sectionalized to Company facilities and/or equipment. When troubles cannot be clearly sectionalized to the Company facilities and/or equipment, the Company will test cooperatively or independently to assist in trouble sectionalization.

Responsibility for payment of additional charges will apply as set forth in Section E13.

#### E2.3.17 Reserved For Future Use

#### E2.3.18 Reserved For Future Use

#### E2.3.19 800 Number Reporting

For **BellSouth SWA 8XX Toll Free Dialing** Ten Digit Screening service the customer will be responsible for reporting to the Company or directly to the Service Management System 800 numbers that are in service in the Company serving area and the activation date of every 800 number assigned.

Additionally, the provision of **BellSouth SWA 8XX Toll Free Dialing** Ten Digit Screening service, provided from Section E6. following, requires the customer's subscription to basic **BellSouth 8XX** Number **Administration** service features found in Section E13. of this Tariff or as an alternative the provision of those features by other responsible organizations or through direct access by the customer to the Service Management System.

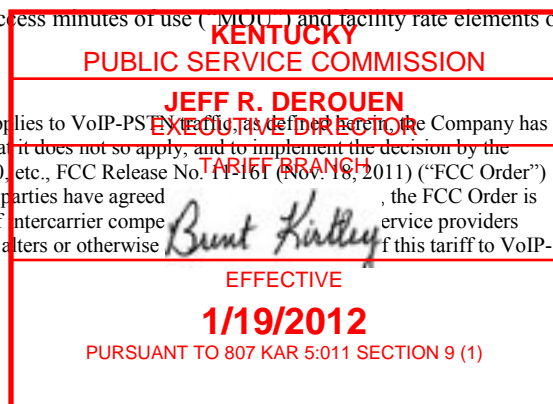
#### E2.3.20 Identification and Rating of VoIP-PSTN Traffic

##### (A) Scope

This Section applies to VoIP-PSTN Traffic exchanged between the Company and the customer in time division multiplexing ("TDM") format that originates and/or terminates in Internet protocol ("IP") format. VoIP-PSTN traffic originates and/or terminates in IP format if it originates from and/or terminates to an end-user customer of a service that requires Internet protocol-compatible customer premises equipment.<sup>(1)</sup>

- (1) This Section governs the identification of originating and terminating intrastate toll VoIP-PSTN traffic and facilities to which interstate switched access rates apply (unless the parties have agreed otherwise) in accordance with the transitional Inter-carrier Compensation framework for VoIP-PSTN traffic adopted by the Federal Communications Commission in its Report and Order, FCC Release No. 11-161 (Nov. 18, 2011) ("FCC Order"). Specifically, this Section establishes the method that will be used to identify the percentage of the customer's intrastate access traffic that will be treated as intrastate toll VoIP-PSTN traffic (referred to in this tariff as "Relevant VoIP-PSTN Traffic").
- (2) This Section applies to originating and terminating intrastate switched access minutes of use ("MOU") and facility rate elements of all Access customers.

(1) Although the Company has taken the position that this tariff, by its own terms, already applies to VoIP-PSTN traffic as defined in the Company has included this Section in the tariff out of an abundance of caution to prevent any claim that it does not so apply, and to implement the decision by the Federal Communications Commission in its Report and Order in WC Docket Nos. 10-90, etc., FCC Release No. 11-161 (Nov. 18, 2011) ("FCC Order") that VoIP-PSTN access traffic should be exchanged at interstate access rates (unless the parties have agreed otherwise), the FCC Order is prospective only, and does not address preexisting law with regard to the applicability of inter-carrier compensation service providers ("ESP") exemption to VoIP-PSTN Traffic. Including this section in the tariff in no way alters or otherwise affects the Company's application of this tariff to VoIP-PSTN Traffic before the effective date of the FCC Order.



## E2. GENERAL REGULATIONS

### E2.3 Obligations Of The Customer (Cont'd)

#### E2.3.20 Identification and Rating of VoIP-PSTN Traffic (Cont'd)

##### (A) Scope (Cont'd)

- (3) The customer shall not modify its reported PIU factor to account for the VoIP-PSTN Traffic for MOU and facility rate elements.

##### (B) Rating of VoIP-PSTN Traffic

The Relevant VoIP-PSTN Traffic and facility rate elements identified in accordance with this tariff section will be billed at rates equal to the Company's applicable tariffed interstate switched access rates as specified in BellSouth Telecommunications LLC Tariff F.C.C. No. 1.

##### (C) Calculation and Application of Percent-VoIP-Usage Factors

The Company will determine the number of Relevant VoIP-PSTN Traffic MOU and facility rate elements to which interstate rates will be applied under subsection (B), above, by applying the Percent VoIP Usage ("PVU") factor to the intrastate access MOU exchanged and facilities between the Company and the customer. The PVU factors will be derived and applied as follows:

- (1) The customer will calculate and furnish to the Company a factor (the "PVUC"), delineated by Carrier Identification Code ("CIC") or Operating Company Numbers ("OCNs"), representing the percentage (whole number) of the total intrastate access MOU that the customer exchanges with the Company end users in the state which (a) is sent to the Company that originated in IP format at the end user, or (b) is received from the Company and terminated in IP format at the end user. This PVUC shall be based on information such as the number of the customer's retail VoIP subscriptions in the state (e.g., as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information satisfactory to the Company.
- (2) The Company will calculate and periodically update a factor (the "PVUT") representing the percentage (whole number) of the total intrastate access MOU that the Company exchanges with the customer's end users in the state which (a) is sent to the customer that originated in IP format at the end user, or (b) is received from the customer and terminated in IP format at the end user. This PVUT shall be based on information such as the number of the customer's retail VoIP subscriptions in the state (e.g., as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information.
- (3) The Company will develop a customer Percent VoIP Usage ("PVU") factors combining the customer's PVUC factor with the Company's PVUT factor.
  - a) The PVU calculation below is applied when the Company does not bill based on actual call detail records for the intrastate Company's IP traffic at interstate rates.

$PVU = PVUC + [PVUT \times (1 - PVUC)]$  applied to the Company's end user's total intrastate MOU and facility rate elements

Example: The customer reported that their PVUC as 40%. The Company's PVUT is 10%. This results in the following:

$PVU = 40\% \text{ plus } (10\% \text{ times } (1 - 40\%)) = 46\%$

This means that 46% of the Intrastate MOU exchanged between the customer and the Company's end users will be rated at Interstate rates.

Material previously appearing on this page now appears on Original Page 9.4.

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<b>EFFECTIVE 1/19/2012</b>

ISSUED: January 4, 2012  
BY: Mary Pat Regan, President - KY  
Louisville, Kentucky

EFFECTIVE: January 19, 2012

## E2. GENERAL REGULATIONS

### E2.3 Obligations Of The Customer (Cont'd)

#### E2.3.20 Identification and Rating of VoIP-PSTN Traffic (Cont'd)

##### (C) Calculation and Application of Percent-VoIP-Usage Factors (Cont'd)

###### (3) (Cont'd)

- a) The PVU calculation below is applied when the Company bills are based on the actual call detail records for the intrastate Company's IP traffic at interstate rates.

The formula for usage will be as follows:

$PVU = PVUC \times (1 - PVUT)$  applied to the Company's TDM end user's total intrastate MOU.

$PVU = PVUC + [PVUT \times (1 - PVUC)]$  applied to the facility rate elements.

Example: The Company has identified that there was 10,500 intrastate MOU that were identified exchanged between the customer and the Company's IP end users. The customer reported that their PVUC as 40%. The Company's PVUT is 10%. This results in the following:

$PVU = 40\% \text{ times } (1 - 10\%) = 36\%$

This means that 36% of the Intrastate MOU exchanged between the customer and the Company's TDM end users will be rated at interstate rates and the intrastate 10,500 MOU will also be rated at interstate rates.

For the facility rate elements, the formula that is applied to the intrastate dedicated facilities is as follows:

$PVU = 40\% \text{ plus } (10\% \text{ times } (1 - 40\%)) = 46\%$

Therefore, 46% of the intrastate facilities will be rated at interstate rates.

- (4) The Company will apply the customer's PVUC to all traffic exchanged between the customer and third party providers (eg Independent Company and local exchange carrier) subtending the Company's access tandem.

The customer may elect to provide a different factor ("PVUC3") that represents the VoIP-PSTN traffic that is exchanged between the customer and third party providers.

- (5) If the customer does not furnish the Company with a PVUC pursuant to the preceding paragraph (C) (1), the Company will utilize a customer PVUC of 0%.

##### (D) Initial PVU Factor

If the PVU factors are not available and/or cannot be implemented in the Company's billing systems by January 1, 2012, when the factors are available and can be implemented in the Company billing systems, the Company will adjust the customer's bills to reflect the PVU factors as of January 2012 usage and facilities. In calculating the initial PVU factors, the Company will employ the customer-specified PVUC retroactively to January 2012 usage and facilities, provided that the customer provides the factor to the Company no later than April 15, 2012. Otherwise, it will set the initial PVU factors as specified in Subsection (C)(5), above.

##### (E) PVU Factor Updates

The customer may update the PVUC factor quarterly using the method set forth in Subsection (C)(1) and (4), above. If the customer chooses to submit such updates, it shall forward to the Company, no later than 15 days after the first day of January, April, July and/or October of each year, a revised PVUC factor based on data for the prior three months, ending the last day of December, March, June and September, respectively. The Company will use the revised PVUC to calculate a revised PVU. The revised PVU factor will only apply prospectively and serve as the basis for billing until superseded by a new PVU.

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## E2. GENERAL REGULATIONS

### E2.3 Obligations Of The Customer (Cont'd)

#### E2.3.20 Identification and Rating of VoIP-PSTN Traffic (Cont'd)

##### (F) PVU Factor Verification

Not more than twice in any year, the Company may ask the customer to verify the PVUC factor furnished to the Company. The customer shall comply, and shall reasonably provide the records and other information used to determine their PVUC, as specified in section (C)(1), and (4), above. The customer shall retain and maintain (for verification purposes) the records and other information used to determine the PVUC, for at least 12 months after the PVUC is filed (or longer if any other section of the Company's tariffs or applicable law requires a longer period). The verification process shall be conducted consistent with the provisions in Section 2.3.10(B)(D)(E) of BellSouth Telecommunications LLC Tariff F.C.C. No. 1.

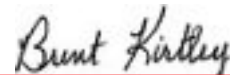
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## E2. GENERAL REGULATIONS

### E2.3 Obligations Of The Customer (Cont'd)

#### E2.3.21 Utilization of Alternative Access Providers

When the customer of record for an access service utilizes the service(s) of an alternative access provider, it will be the obligation of the customer to monitor the actions of the alternative access provider to insure that the customer's desired service interconnections and grades of service are maintained.

**Note 1:** Except where indicated herein, references to *BellSouth SWA FGs* will also include the applicable *BellSouth SWA* Basic Serving Arrangement as detailed in the matrix in E6.1.3.A. (e.g., the term *BellSouth SWA* FGA represents both *BellSouth SWA* FGA and *BellSouth SWA* LSBSA).

### E2.4 Payment Arrangements And Credit Allowances

#### E2.4.1 Payment Of Rates, Charges And Deposits

- A. The Company will, in order to safeguard its interests, only require a customer which has a proven history of late payments to the Company or does not have established credit to make a deposit prior to or at any time after the provision of a service to the customer to be held by the Company as a guarantee of the payment of rates and charges.

The Company will notify the customer of a deposit requirement by Certified Mail or Overnight Delivery. The customer will be required to make payment of such deposit prior to the provision of new service in those cases where the customer has not established credit with the Company, or otherwise within fifteen (15) days of such notice for customers with existing services. Such notice period will start the day after the notice is rendered by Certified Mail or Overnight Delivery.

No such deposit will be required of a customer which is a successor of a company which has established credit and has no history of late payments to the Company. Such deposit may not exceed the actual or estimated rates and charges for the service for a two month period. The fact that a deposit has been made in no way relieves the customer from complying with the Company's regulations as to the prompt payment of bills. At such time as the provision of the service to the customer is terminated, the amount of the deposit will be credited to the customer's account and any credit balance which may remain will be refunded.

Such a deposit will be refunded or credited to the customer's account when the customer has established credit or, in any event, after the customer has established a one-year prompt payment record at any time prior to the termination of the provision of the service to the customer. In case of a cash deposit, for the period the deposit is held by the Company, the customer will receive simple interest at the same percentage rate as that set forth in B.3.b.(1) or (2) following whichever is lower. The rate will be compounded daily for the number of days from the date the customer's deposit is received by the Company to and including the date such deposit is credited to the customer's account or the date the deposit is refunded by the Company. Should a deposit be credited to the customer's account, as indicated preceding, no interest will accrue on the deposit from the date such deposit is credited to the customer's account.

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Material appearing on this page previously appeared on Fifth Revised 9 and First Revised 9.1.

## E2. GENERAL REGULATIONS

### E2.6 Definitions (Cont'd)

#### NETWORK INTERFACE

Network Interface is a standard jack provided by the Company as a part of exchange access, **BellSouth SWA** WATS, or Private Line Services for the connection of customer terminal equipment and premises wiring to the telephone network. The Network Interface will be located at the demarcation point.

#### NONSYNCHRONOUS TEST LINE

The term "Nonsynchronous Test Line" denotes an arrangement in step-by-step end offices which provides operational tests which are not as complete as those provided by the synchronous test lines, but which can be made more rapidly.

#### NORTH AMERICAN NUMBERING PLAN

The term "North American Numbering Plan" denotes a three -digit area or Numbering Plan Area code and a seven -digit telephone number made up of a three -digit Central Office code plus a four -digit station number.

#### OFF-HOOK

The term "Off-hook" denotes the active condition of **BellSouth SWA** or a Telephone Exchange Service line.

#### ON-HOOK

The term "On-hook" denotes the idle condition of **BellSouth SWA** or a Telephone Exchange Service line.

#### OPEN CIRCUIT TEST LINE

The term "Open Circuit Test Line" denotes an arrangement in an end office which provides an ac open circuit termination of a trunk or line by means of an inductor of several Henries.

OPERATING COMPANY NUMBER denotes a four-character alphanumeric identifier used to determine the company of the NPA- (N)  
NXX code-holders. (N)

#### OPERATOR SERVICES SYSTEM

The term "Operator Services System" (OSS) denotes the switching equipment, facilities, operator positions and software components utilized for the provision of Operator Services.

#### OPERATOR SERVICES SYSTEM SERVING AREA

The term "Operator Services System Serving Area" (OSS serving area) denotes the geographic operational domain of an Operator Services System.

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